

BLUE RIBBON COMMISSION

on Transportation Infrastructure
Funding and Policy



COMMISSION MEETING

June 17, 2025

WELCOME

ROLL CALL



Secretary
Gia Biagi (Chair)



Commissioner
Romayne Brown



Commissioner
Laura Calderon



Commissioner
Eileen Chin



Representative
C.D. Davidsmeyer



Senator
Don DeWitte



Representative
Marcus Evans, Jr.



Senator
Dale Fowler



Commissioner
Jacquelyne Grimshaw



Representative
Michael Kelly



Commissioner
Thomas Kotarac



Commissioner
Duana Love



Senator
Laura Murphy



Commissioner
Marc Poulos



Representative
Ryan Spain



Senator
Ram Villivalam

TODAY'S AGENDA

| | | | |
|-----------------|---|-----------------|---|
| 10:00am: |  Introduction (Chair Biagi) Roll Call (KPMG Team) | 11:45am: |  Next Steps (KPMG Team) |
| 10:05am: |  Approval of Minutes – Apr 28th (Chair Biagi) | 11:50am: |  New Business (Chair Biagi) |
| 10:10am: |  Remarks from Secretary Biagi | 11:55am: |  Public Comment (Chair Biagi) |
| 10:15am: |  Update on Recent BRC Activity (KPMG Team) | 11:57am: |  Next Meeting (Chair Biagi) |
| 10:25am: |  Discussion: Emerging Opportunities for IDOT (KPMG Team) | 12:00pm: |  Adjourn (Chair Biagi) |
| 10:50am: |  Preliminary Recommendations (Working Group Reps) | | |

APPROVAL OF 4/28 MEETING MINUTES

REMARKS FROM SECRETARY BIAGI

UPDATE ON RECENT ACTIVITY

WORKING GROUP UPDATE

1

Workforce

Three meetings held

3

Project Delivery

Three meetings held

5

Equity

One meeting held

2

Funding

Three meetings held

4

Governance

Two meetings held

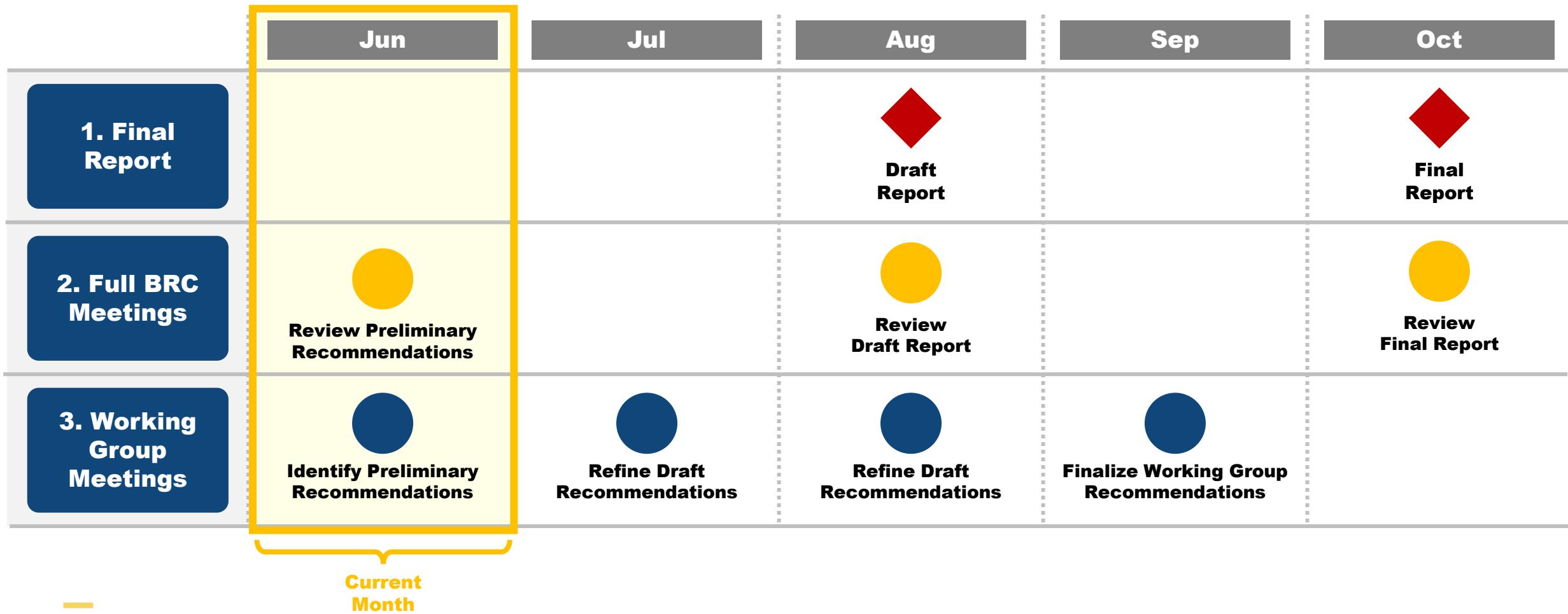
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Sustainability

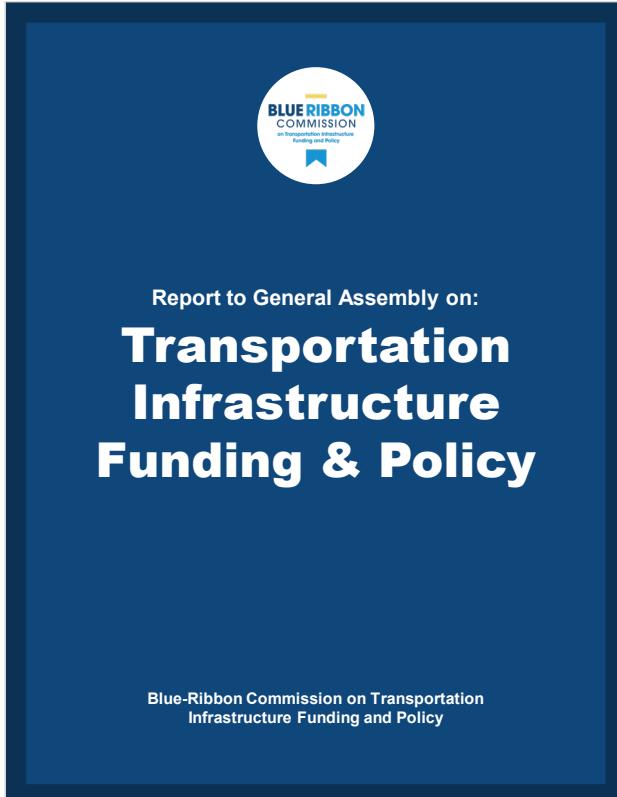
One meeting held

June Launch

UPDATED OVERALL TIMELINE



FINAL REPORT OUTLINE



Report Outline: (Preliminary)

1) Background

- Report Objectives
- Methodology & Activities Completed

2) Findings & Recommendations

- Current Challenges & Opportunities
- Recommendations:
 - *Recommendations for IDOT*
 - *Recommendations Requiring Legislative Change*

3) Minority & Individual Views of Task Force Members

TODAY'S OBJECTIVES

Discuss:

- 1 Additional emerging opportunities for IDOT**
- 2 Updated preliminary Working Group recommendations**

ADDITIONAL EMERGING OPPORTUNITIES FOR IDOT

5 Emerging Opportunities for IDOT

Discussed at Last BRC Meeting

#1

Capacity

Increase capacity to deliver the MYP through initiatives relating to people, processes, and technology

#2

Data & Reporting

Enhance stakeholder transparency and internal efficiency through improved data and reporting

Today's Focus

#3

Funding

Align allocations to desired outcomes and address long-term funding decline

#4

Equity

Protect and enhance internal and external equity programs and initiatives

#5

Sustainability

Address near-term and long-term environmental sustainability needs

#3

Emerging Opportunity:
FUNDING

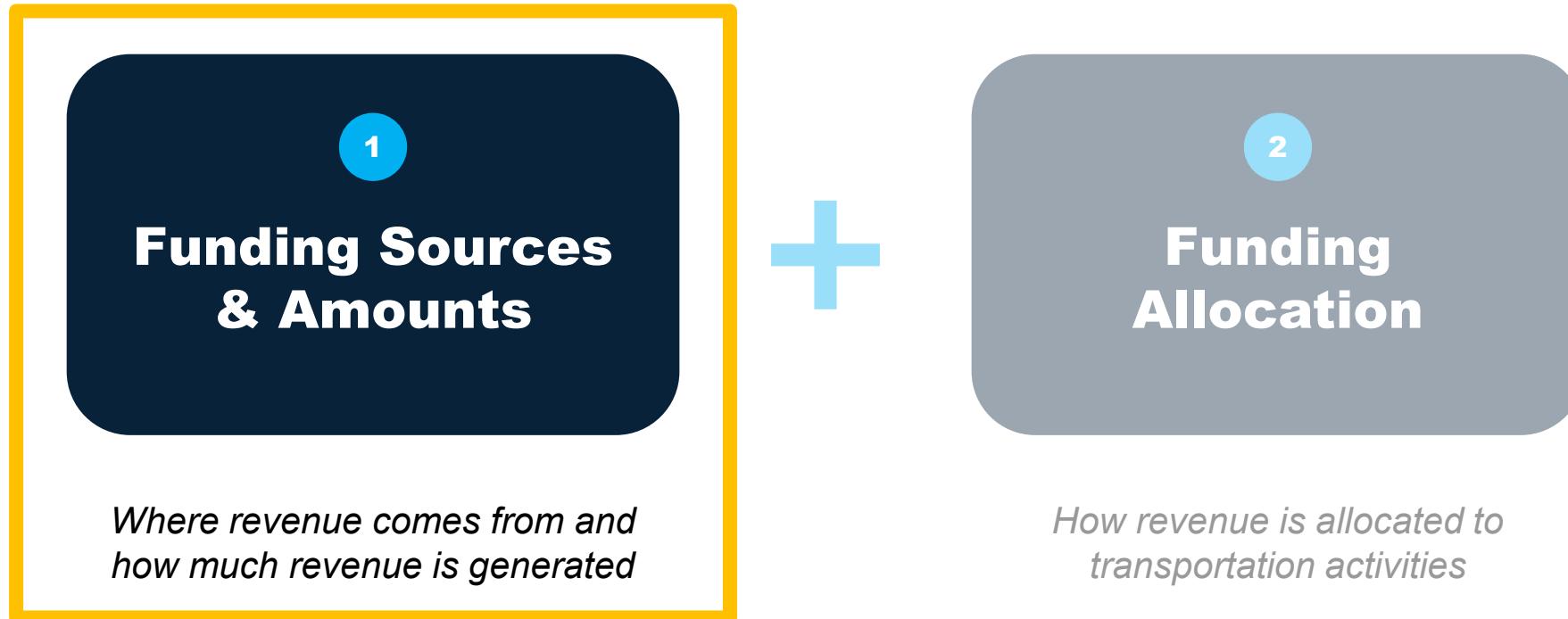
Two Components of Funding



Where revenue comes from and how much revenue is generated

How revenue is allocated to transportation activities

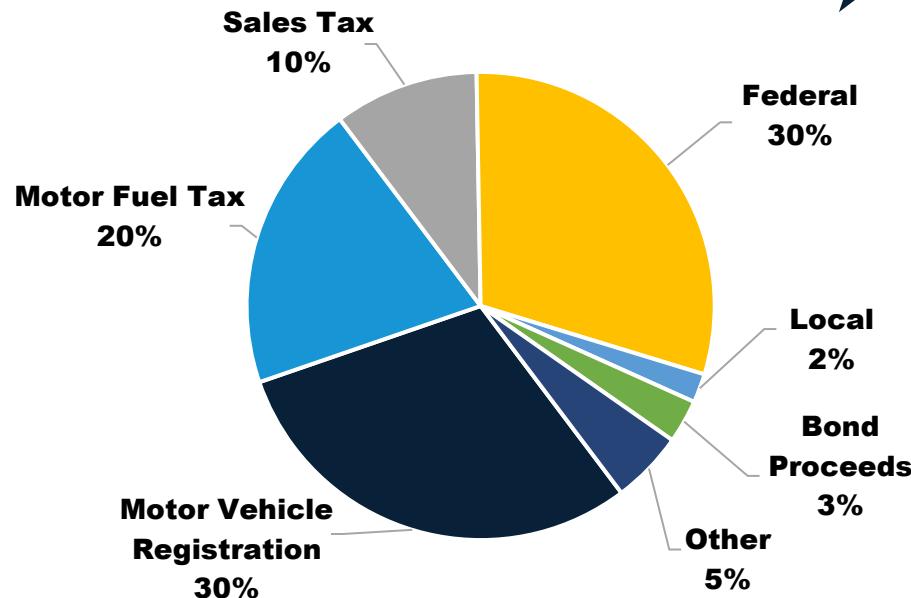
Two Components of Funding



IDOT's Current Funding Sources

IDOT Revenue by Source

FY 2024



MVR and MFT
are top
sources of
state funding

State Funding Sources (FY24)

- 1) **Motor Vehicle Registration Fees (MVR):** \$2.1b (50%)*
- 2) **Motor Fuel Taxes (MFT):** \$1.3b (30%)*
- 3) **Sales Tax on Motor Fuel:** \$0.6b (13%)
- 4) **Interest and Miscellaneous:** \$0.3b (7%)

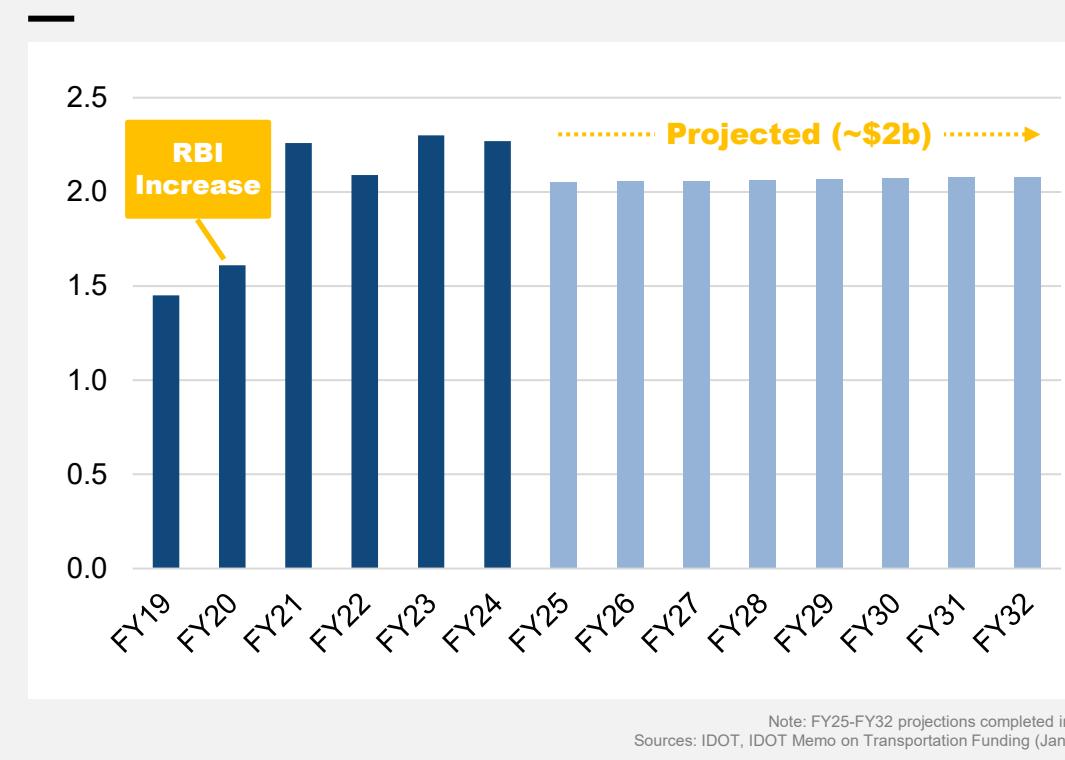
Total State Funding: \$4.2b

*Subject to the Illinois Transportation Taxes and Fees Lockbox Amendment

IDOT's largest source of revenue, Motor Vehicle Registration (MVR), is projected to remain relatively flat

Actual & Projected State MVR Revenue

FY19 - FY32 (\$ billions)

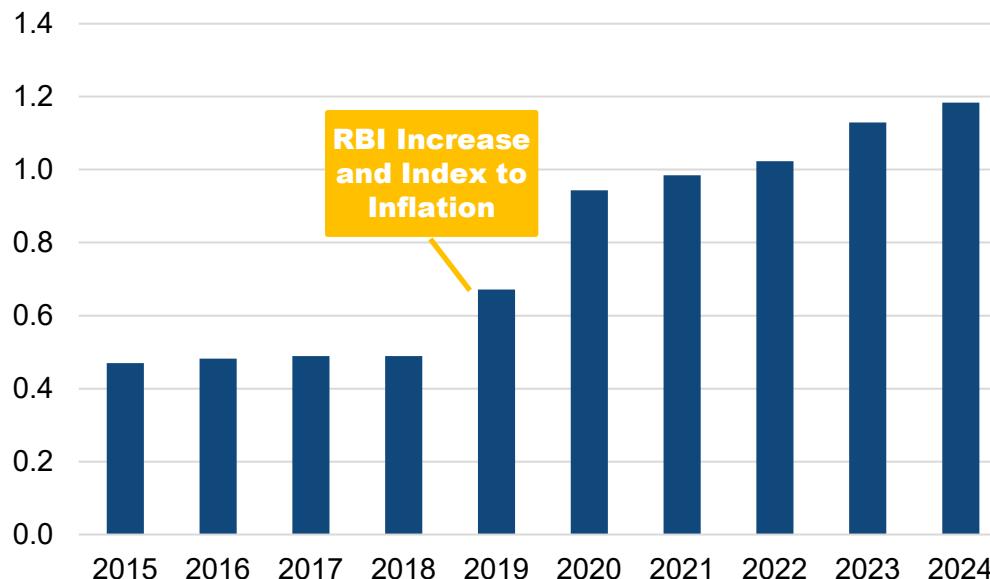


- **MVR rates recently increased under Rebuild Illinois (RBI)**
 - ▶ **Base Fee:** \$151 / passenger vehicle Among highest in nation
 - ▶ **EV Surcharge:** \$100 Neighbor State Avg: \$150
National Avg: \$100
- **MVR is not indexed to inflation – buying power will decline over time**

IDOT's second largest source of state revenue, Motor Fuel Tax (MFT), is projected to increase in the near-term

Actual State MFT Revenue

2015 - 2024 (\$ billions)



Note: reported based on county fiscal years (December 1 to November 30)
Source: IDOT

- **MFT recently increased and was indexed to inflation under Rebuild Illinois (RBI)**
 - ▶ **Gas:** \$0.483 / gallon (until June 2026)
 - ▶ **Diesel:** \$0.558 / gallon (until June 2026)
- **Indexing to inflation has offset near-term revenue decline**

Among highest in nation

In the long term, however, MFT is expected to decrease due to improved fuel efficiency and EV adoption

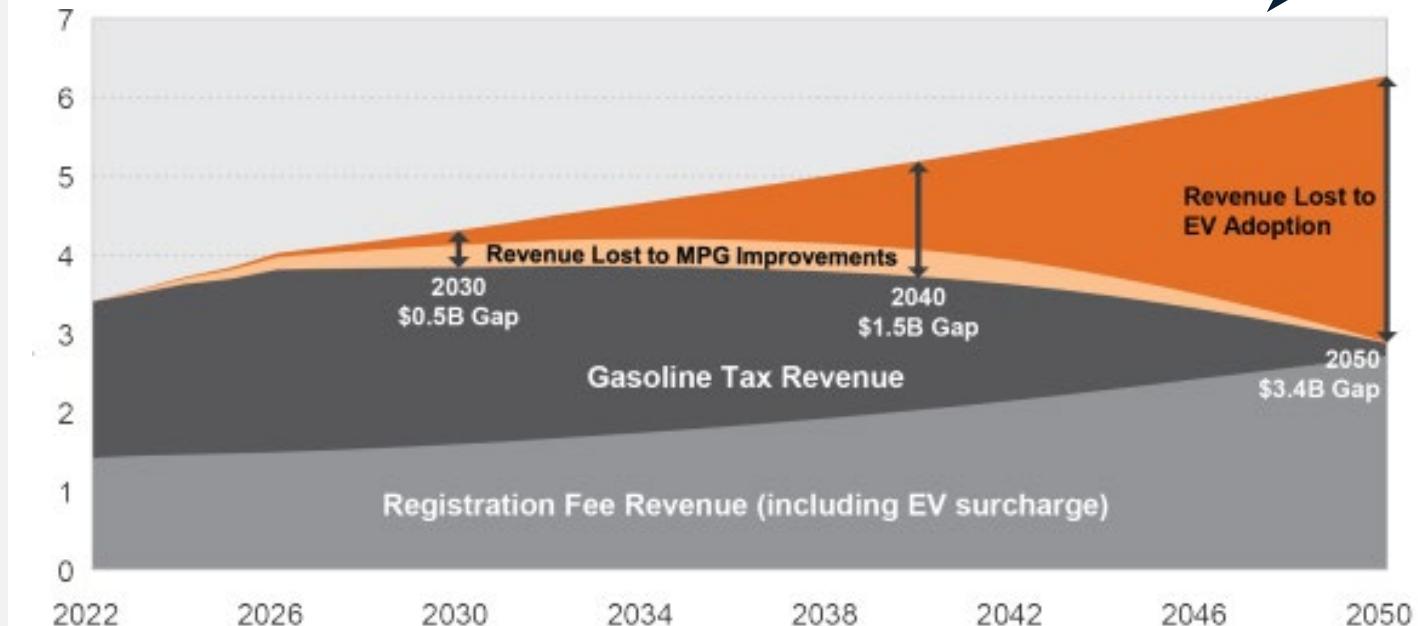
Projected Revenue Loss (by scenario)

Total Projected Loss in Revenue from 2022 – 20250 (\$ billions)



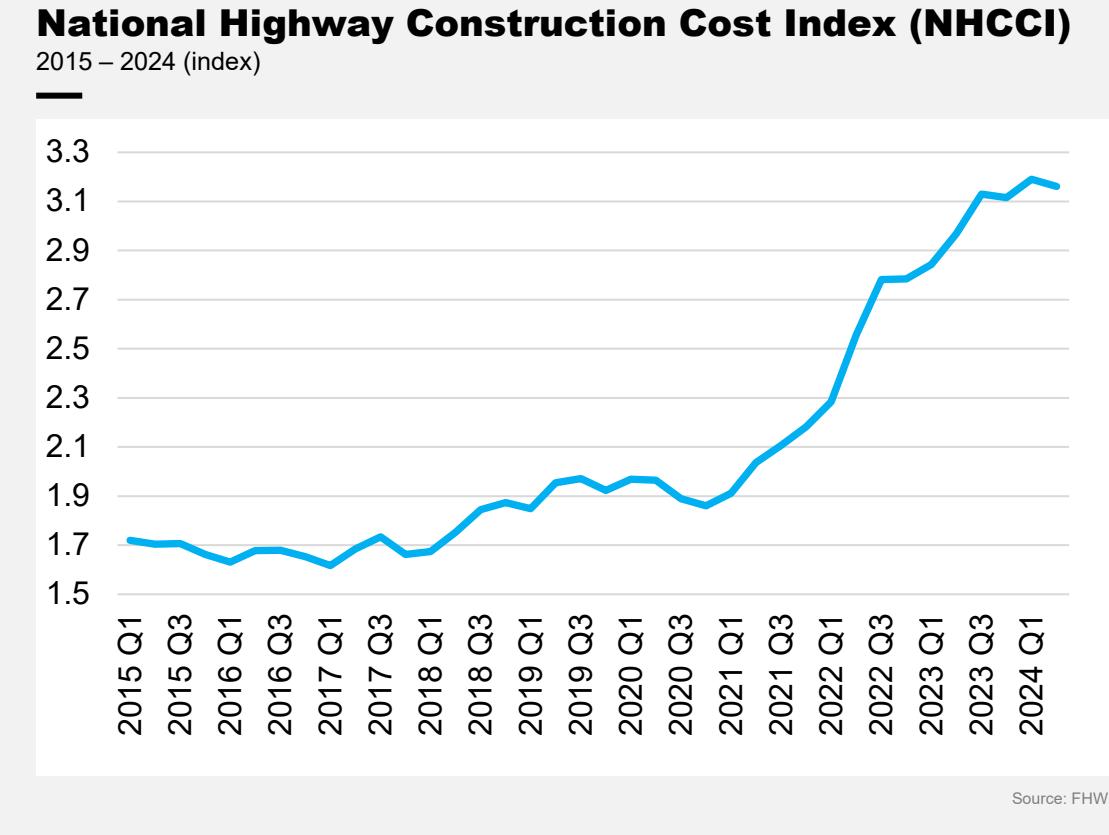
EV Adoption Impacts (Medium Adoption Scenario)

2022 - 2050 (\$ billions)



Revenue expected to start falling in 2033

At the same time that funding is declining, IDOT's needs and costs are increasing – furthering funding gaps

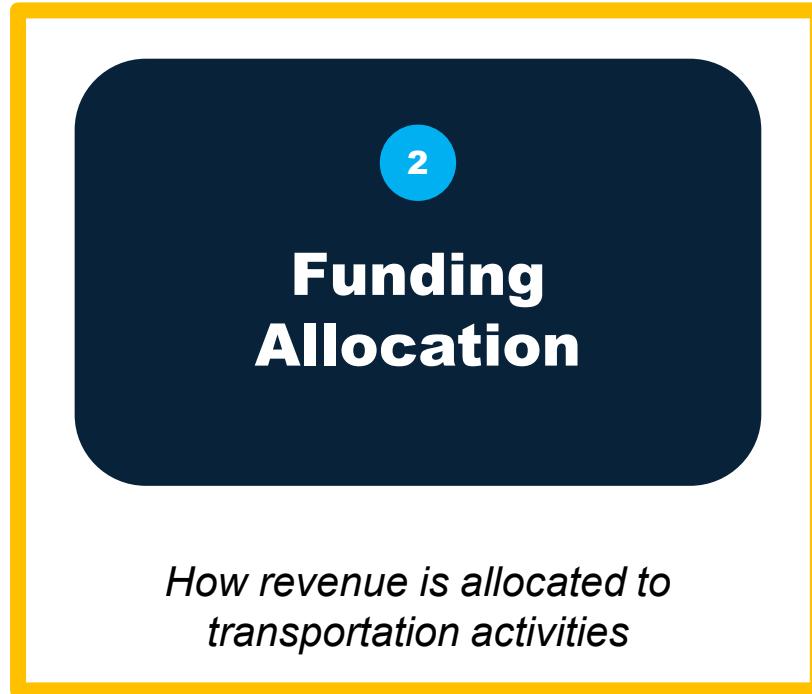


- **Increasing Costs:** The National Highway Construction Cost Index (NHCCI) nearly **doubled** between 2015 and 2024
- **Increasing Needs:** Even with new state and federal funds, IDOT estimated (in 2022) at least **\$2.3 billion** in additional investment is needed by 2032 is needed to meet roadway and bridge asset condition targets just on state-maintained facilities

Two Components of Funding

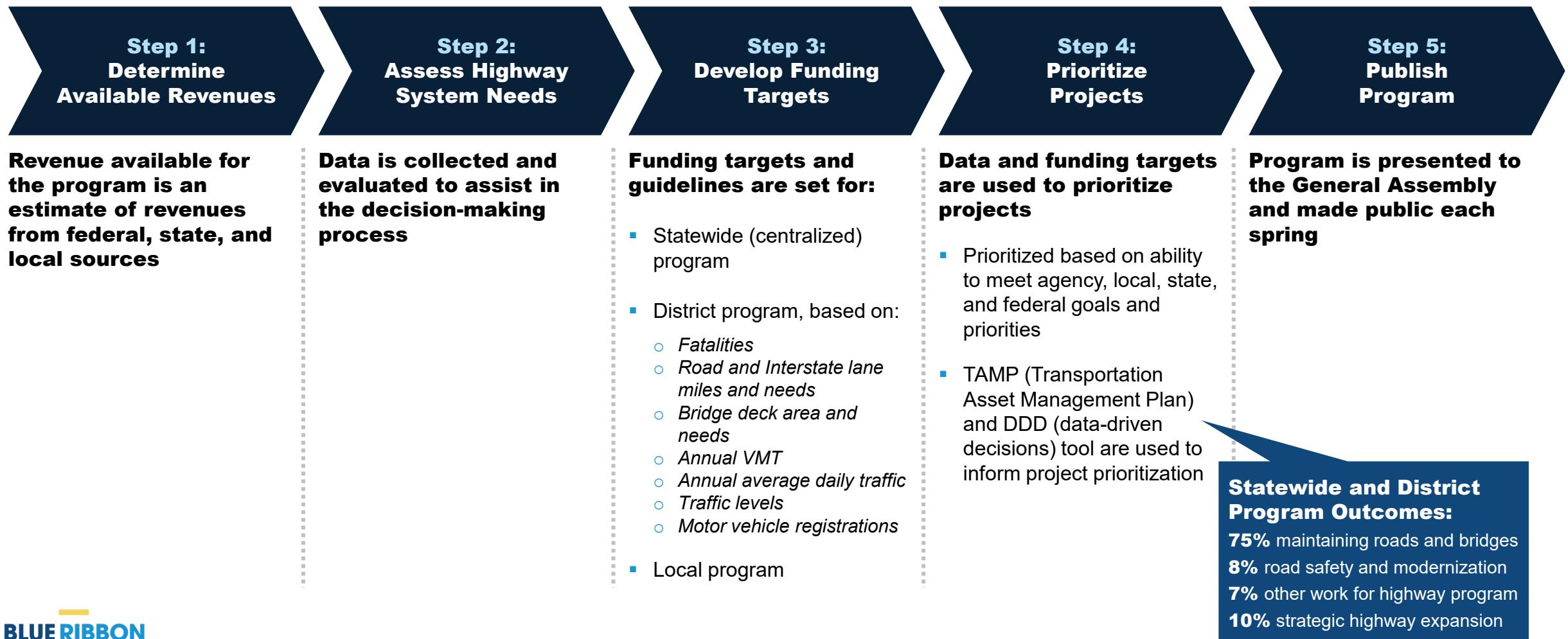


Where revenue comes from and how much revenue is generated



How revenue is allocated to transportation activities

IDOT's Programming Process (6-Year MYP)



FUNDING

Theme #1

Efficient Use of Funding

- Establish active program management
- Reallocate funding when delivery timeline criteria are not met
- Weigh readiness as a project selection criterion
- Apply a standard cost escalation approach
- Concentrate federal funds across fewer projects

Theme #2

Allocations – Program Category

- Rank program categories, establish goal-based funding targets, or establish set-asides
- Create allocation formulas that reflect needs and policy goals
- Review category allocations and formulas annually or biennially
- Extend MYP horizon from 6 to 10 years

Theme #3

Allocations – Level of Government

- Quantify needs at the state and local levels
- Adopt uniform statewide transportation KPIs
- Consider projects across multiple levels of government in funding allocation decisions
- Allocate funds only if maintenance-of-effort requirements are met
- Reduce the number of MFT formula recipients

Theme #4

Allocations – Mode & Geography

- Evaluate projects across modes and/or across geographies
- Align project selection criteria across modes
- Establish set-asides for specific modes or areas of concern (e.g., low-income, rural)
- Establish min and max allocation thresholds for specific geographies

Additional Areas to Explore

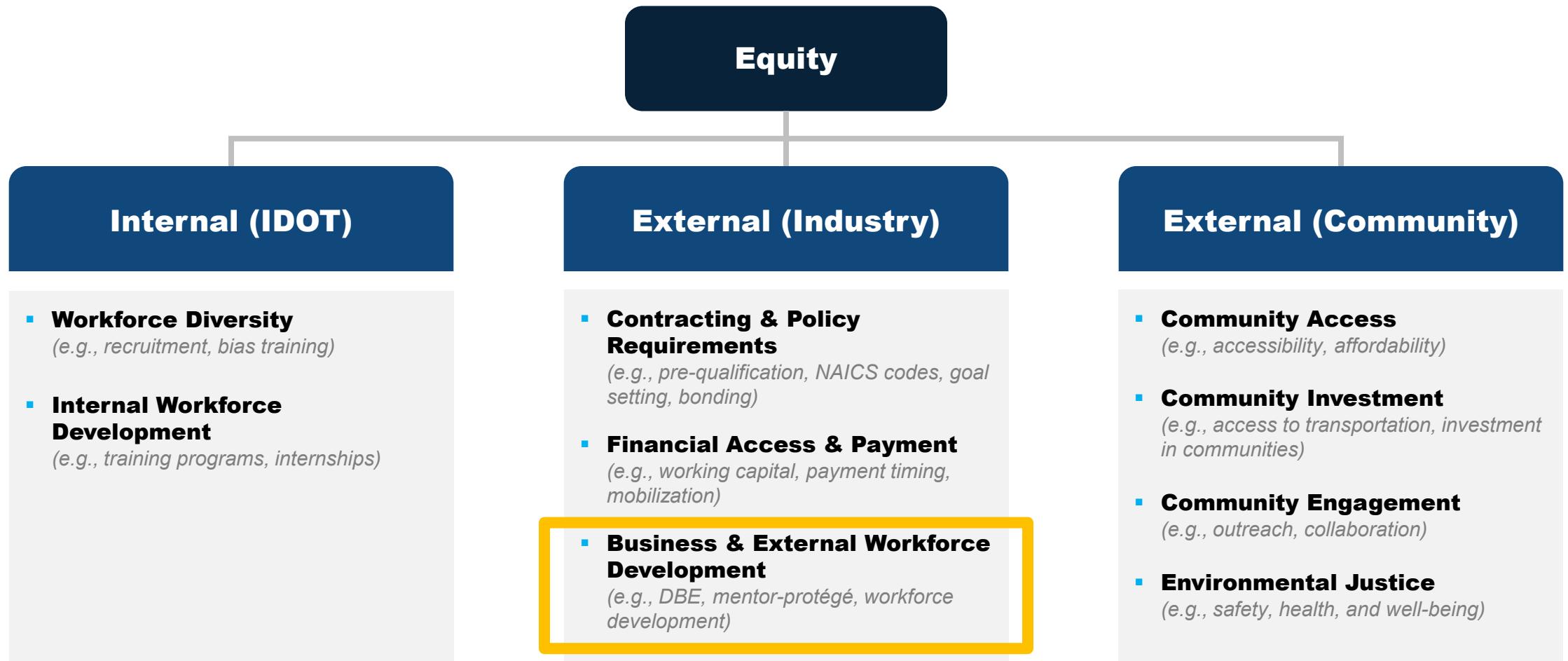
Additional funding sources, including:

- **Usage-based fees:**
 - Tolling / managed lanes
 - Road usage charging
 - Distance charging
- **Vehicle-based fees:**
 - Weight
 - Value
 - Age
 - Fuel economy
- **Transportation innovation fees:**
 - Retail delivery surcharges
 - Statewide TNC taxes

#4

Emerging Opportunity:
EQUITY

Key Components of Equity in Transportation



TODAY'S FOCUS

IDOT's Business & External Workforce Development Programs

Status: Inactive

Mentor / Protégé Program

Overview

Emerging DBEs learn from established firms to support mutual growth

Current Challenges

- Program availability and continuity due to DBE challenges
- Administrative burdens strain smaller firms
- Program scope may exclude DBEs in non-targeted specialties

Status: Active*

Small Business Initiative (SBI)

Overview

Increases opportunities for small business (>\$14m in revenue) on IDOT projects

Current Challenges

- Historical challenges with firms abandoning projects
- Challenges with waived prequalification and bonding requirements
- Utilized on a limited number of projects

Status: Active

Workforce Development Programs

Overview

External workforce programs (e.g., HCCTP, Illinois Works, CREATE)

Current Challenges

- Opportunities to expand partnerships with local development agencies
- Opportunity to establish a program targeted for veterans

Status: Active

DBE Program

Overview

Increases opportunities for socially and economically disadvantaged firms

Current Challenges

- Federal mandates and injunctions impacting program
- Opportunity to bolster program (e.g., improved capacity building, prime contractor accountability)

* Active for State, inactive for Federal

Policies & Legal Issues Impacting IDOT Equity Programs

Executive Orders

Executive Order 14151 (January 2025) – “Ending Radical and Wasteful Government DEI Programs and Preferencing”

Executive Order 14173 “Ending Illegal Discrimination and Restoring Merit-Based Opportunity”

Injunction

Mid-America Milling Co., LLC v. U.S. Department of Transportation (2024)

U.S. District Court issued a preliminary injunction challenging race- and gender-based presumptions

Letter From Transportation Secretary Sean P. Duffy

“Any policy, program, or activity that is premised on a prohibited classification, including discriminatory policies or practices designed to achieve so-called “diversity, equity, and inclusion,” or “DEI,” goals, presumptively violates Federal law”

Impact to IDOT and Small Businesses

Impact to IDOT

- Paused equity programming (e.g., Mentor-Protégé, SBI)
- Resulted in the removal of DBE goals from 22 contracts
- Slowed procurement processes caused project delivery delays
- Increased legal scrutiny requires program restructuring to maintain federal compliance
- Greater reliance on race-neutral strategies, which may not address systemic disparities
- Strained capacity to support underrepresented firms without clear federal guidance

Impact to Small Businesses

- Reduced participation by small businesses due to uncertainty around DBE credit eligibility
- Minority-, women-, and veteran-owned firms disproportionately affected by the rollback of DBE protections
- Prime contractors less engaged in outreach and partnership-building
- Loss of predictable contracting opportunities, limiting small firms' ability to plan, invest, and grow

EQUITY

Theme #1

Business & External Workforce Development

- Mentor/Protégé Revitalization:** Reactive and enhance program structure
- Small Business Initiative:** Review program structure and increase utilization
- Workforce Development Collaboration:** Explore opportunities for program expansion and increased collaboration with external parties
- DBE Program:** Develop alternative goal-setting process for non-federal dollars; enhance program structure (e.g., prime contractor accountability, data and reporting)

Theme #2

Contracting & Policy Requirements

- Pre-Qualification & NAICS Alignment:** Combine requirements for more inclusive small business eligibility
- Clear Goal-Setting Policy:** Set feasible diversity targets with consistent, transparent reporting
- Flexible Bonding Requirements:** Explore waivers or stepped bonding for small firms
- Standard Prequalification Criteria:** Streamline vendor approvals to significantly speed contract awards

Theme #3

Financial Access & Payment

- Access to Working Capital:** Reactivate revolving loan options to boost contractor liquidity
- Shorter Payment Cycles:** Standardize quick invoicing to improve small business cash flow
- Enhanced Mobilization Funding:** Significantly increase upfront payments to facilitate subcontractor readiness
- Payment Tracking Tools:** Launch user-friendly digital portals for real-time invoice monitoring
- Payment Compliance Enforcement:** Penalize late disbursements to maintain fair contractor practices

Additional Areas to Explore

- Internal IDOT workforce equity (e.g., recruitment, training)
- External community equity (e.g., accessibility, engagement)

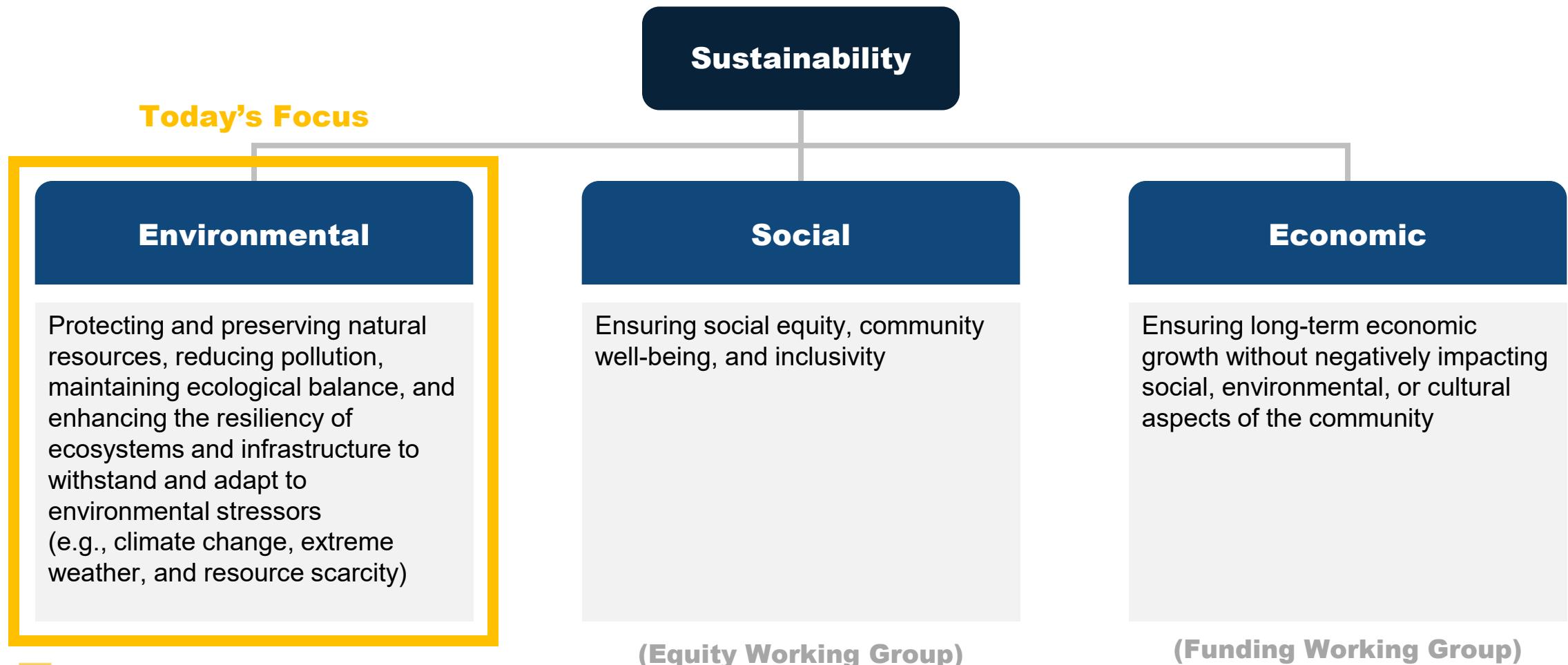


#5

Emerging Opportunity:

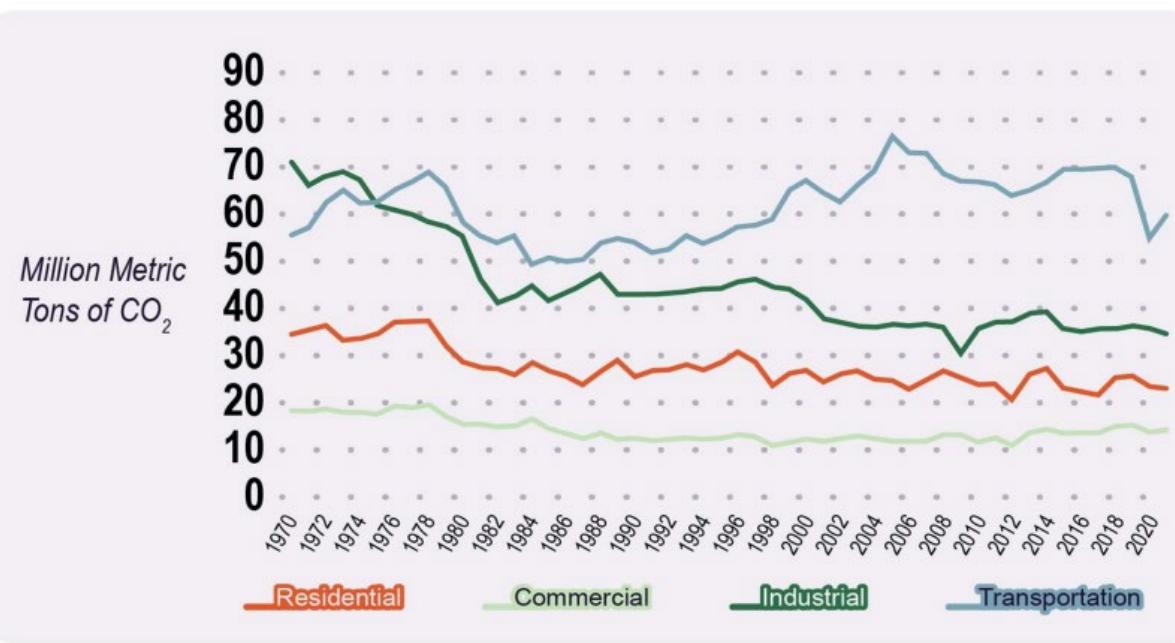
SUSTAINABILITY

Key Components of Sustainability in Transportation



Environmental Challenges for Illinois Transportation (1/2)

Illinois Emissions

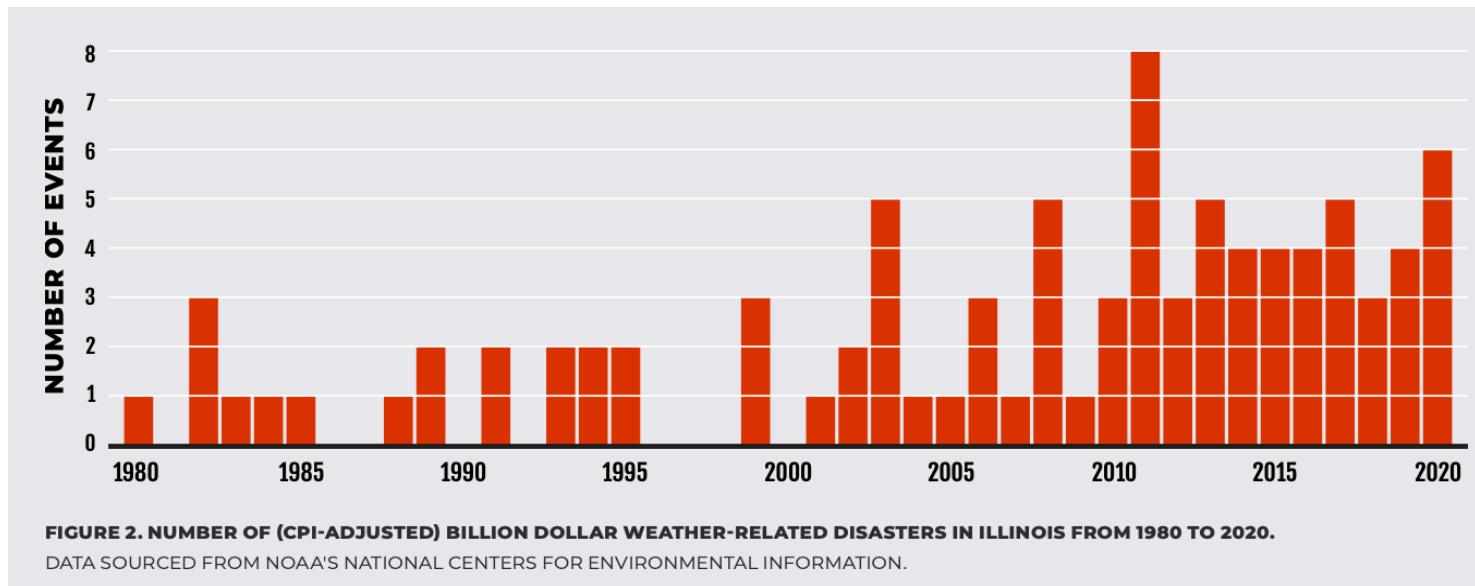


Source: Energy Information Administration
(IDOT Carbon Reduction Strategy)

- Transportation has been the largest contributor to GHG emissions in the state since the 1970s
- GHG transportation emissions in Illinois account for 33% of the state's total emissions
- Passenger vehicles make up largest share of transportation emissions at 63%
- COVID-19 resulted in a decrease in emissions as VMT declined (25% below 2005 levels in 2022); however, VMT has been increasing to pre-pandemic levels

Environmental Challenges for Illinois Transportation (2/2)

Illinois Extreme Weather Events



- Extreme weather events threaten infrastructure, supply chains, roads, and worker safety in Illinois
- Great Lakes water levels and flooding increase the risk of infrastructure damage
- Annual precipitation increased by 5 inches over the past 120 years. (Illinois State Climatologist)
- All 102 Illinois counties experienced flooding severe enough to warrant a Presidential Disaster Declaration. (dnr.illinois.gov)

Two Aspects of Environmental Sustainability

1

Climate MITIGATION Measures

Focuses on causal factors of climate change and **actions to minimize or reverse climate change** over a long period of time

- Halt anthropogenic climate change via reduction of GHG emissions
- Reduce GHG emissions via energy efficiency, curbing use of fossil fuels, and capturing carbon
- Ensure that mitigation investments are equitable, prioritizing communities historically overburdened by pollution

2

Climate ADAPTATION Measures

Includes **actions taken to prepare for and adjust to** current and projected climate change impacts

- Harden at-risk transportation assets
- Improve resiliency to extreme flooding, heat, and increased storm severity
- Prioritize adaptation investments in communities most vulnerable to climate risks and historically underserved by infrastructure improvements

Example Climate Mitigation Measures

Low Carbon Materials

Incorporate low carbon materials in transportation related infrastructure

Example 1: Recycled asphalt pavement in roads; low-carbon steel in bridges and tunnels

Example 2: Explore long-term options for low-carbon concrete and other materials to reduce carbon while maintaining structural integrity

Transportation Efficiency

Improve energy efficiency of vehicles and transportation infrastructure

Example 1: Introduce minimum energy efficiency standards for public transit and freight fleet procurements (e.g., electric buses, efficient rail)

Example 2: Retrofit/replace diesel buses with electric models, smart traffic signals to reduce idle time, embed vehicle efficiency standards in fleet procurement contracts

Multi-Modal

Reduce vehicle miles traveled (VMT) and increase access to low-emission modes

Example 1: Shift short urban trips to active modes (walking and biking) and public transportation

Example 2: Reallocate road space to protected bike lanes, busways, and pedestrian zones

Theme #1

Climate Mitigation Measures

- **GHG Targets:** Advance setting of Scope 1, 2 and 3 GHG Targets and partner with local agencies to develop climate action plans (includes full scope of operations—such as construction practices, materials, testing labs, or vehicle fleet)
- **Low-Carbon Construction Practices:** Leverage \$31.9 million federal grant to establish Environmental Product Declarations (EPDs) procedures, emission baselines, and incentivize low carbon materials use in construction
- **EV Expansion:** Leverage NEVI, IEPA, and CEJA funding to expand network of EV chargers
- **Environmental Justice:** Integrate Environmental Justice in Project Selection Processes (e.g., program metrics developed with state specific equity geography defined in CEJA)
- **Transit / Multimodal:** Enhance integration of transit / multimodal considerations in IDOT decision making (e.g., expanded complete streets, enhanced integration into planning / programming)
- **Statewide Goals & Incentives:** Establish statewide goals for climate mitigation (e.g., VMT, e-Bike incentives)

Additional Areas
to Explore

- *Climate adaptation measures*
- *Enhancing sustainability innovation / research in IDOT*
- *Statewide data sharing*

PRELIMINARY RECOMMENDATIONS FROM OTHER WORKING GROUPS

PRELIMINARY RECOMMENDATIONS:

Project Delivery

CURRENT SITUATION + PROPOSED FOCUS AREAS

Current Situation

- IDOT needs to double its capacity to deliver a capital program that has tripled in size over the last 6 years
- While the program size has tripled, the size of IDOT's workforce has remained flat
- Increasing the workforce size will only solve part of the capacity challenge
- Processes have gaps in standardization, metrics, effective delegation of authority, and efficient collaboration with third parties
- Further, there are gaps in data and technology to foster standardization and greater productivity

Working Group Focus Areas

- 1 **Enhancing processes and policies to increase project delivery capacity and speed**
- 2 **Enhancing data and tools to increase project delivery capacity and speed**

PROJECT DELIVERY

Theme #1

Process Improvement

- Summits & Lookaheads:** Share PTB and lettings schedules with industry
- Utilities & Railroad Coordination:** Hold utility/railroad summits; begin coordination in Phase 1 vs. Phase 2
- Embedded Staff:** Place key personnel across agencies (IDOT ↔ external) to expedite approvals
- NEPA Assignment:** Pursue federal assignment to speed up environmental clearances
- ADA Bundling:** Bundle ADA improvement projects

Theme #2

Project Controls & Policies

- Cradle-to-Grave Project Management:** Assign end-to-end project managers for seamless handoffs
- Major Projects Unit:** Establish a specialized team to oversee large or alternative-delivery projects
- Program Coordination Office (PCO):** Provide centralized oversight, ensuring cross-phase alignment
- Time-Based Policies:** Set strict targets for project components (e.g., agreements, letting dates)
- Remove General Assembly P3 Joint Resolution:** Streamline use of public-private partnership projects

Theme #3

Data & Technology Enhancements

- Standardized Project Metrics:** Create uniform measures tracked across districts
- Project Delivery Dashboard:** Maintain real-time, internal/external dashboards of project milestones
- Review Status Dashboard:** Provide transparency on reviews and approvals
- Project Management Tools:** Roll out digital collaboration platforms (e.g., Bluebeam, eBuilder)
- Digital Project Submissions:** Mandate e-submissions to streamline documentation and tracking

Additional Areas to Explore

- Stakeholder engagement in project planning*
- Transportation Asset Management Plan (TAMP)*
- IDOT staff authority levels*
- Contract close out delays*
- Automation / AI opportunities*

PRELIMINARY RECOMMENDATIONS :

Governance

CURRENT SITUATION + FOCUS AREAS

Current Situation

- Illinois has a large and complex network of transportation infrastructure to manage
- The Illinois transportation network is managed by many agencies with decentralized authority
- There is a critical need to establish a governance model that increases project delivery speed
- Additionally, there is a desire to establish a governance model that improves transparency and modal integration

Working Group Focus Areas

- 1 **Evaluating the effectiveness of the network governance model** (i.e., how decisions are made across agencies)
- 2 **Improving the effectiveness of IDOT's governance model** (i.e., how decisions are made within IDOT)

Theme #1

Speed & Transparency of Local Agency Collaboration

- Consolidate Agreement Oversight:** Merge reviewing processes and reduce duplicate signatures across offices
- Predictable Form Updates:** Establish routine templates and avoid repeated mid-process rework
- Track Progress & Set Timelines:** Use dashboards, target 90-day reviews, and track KPI compliance
- Bundle Contracts:** Combine routine services to reduce agreements and streamline maintenance
- Expand Funding Options:** Apply flexible federal matching and explore STP/MFT fund swaps

Theme #2

Delegation to Local Authorities

- Delegate Infrastructure Management:** Transfer facility jurisdiction with standardized governance and funding
- Delegate Letting Authority:** Permit local agencies to handle federally funded project lettings
- Delegate Design Reviews:** Authorize local review processes with streamlined digital collaboration systems
- Delegate Risk Assessment:** Empower local partners to validate project schedules and budgets
- Delegate Program Oversight:** Enable counties manage STP allocations, coordination, and project implementation

Additional Areas to Explore

- Improving decision transparency (e.g., project selection, funding, project approvals)*
- Improving administrative workflows with intra-State agencies (e.g., procurement, HR, IT)*
- Improving delegation of authority to enhance speed (e.g., approvals)*
- Improving standardization across districts*
- Increasing the use of dashboards and performance metrics*

PRELIMINARY RECOMMENDATIONS :

Workforce

CURRENT SITUATION + FOCUS AREAS

Current Situation

- IDOT needs to increase its capacity to deliver a capital program that has tripled in size over the last 6 years
- Filling vacancies is a key step to improving capacity and increasing headcount
- Internally, IDOT can increase capacity through delegation of authority, enabling technology, ways of working, process improvement
- Externally, IDOT can increase capacity through workforce development and efforts to support the growth of industry

Working Group Focus Areas

Increasing IDOT's workforce capacity through:

- 1 **Increasing headcount**
- 2 **Improving productivity**
- 3 **Partnering with industry**

WORKFORCE

Theme #1

Recruiting, Hiring, & Retention

- **Time-to-Hire Collaboration:** Partner with CMS for speed
- **Evergreen Postings:** Expand open listings for events
- **Skills-Based Hiring:** Adapt requirements to candidate skills
- **Interview Questions Automation:** Partner with DOIT to streamline
- **Salary Benchmarking:** Conduct pay studies for equity
- **Increase Satellite Offices:** Assess opportunities to expand offices in targeted cities

Theme #2

Employee Development & Deployment

- **Expand Legacy Workforce Programs:** Expand Co-op, PACE, DATE programs
- **Engagement Surveys:** Gather regular employee feedback
- **Cultural Change Programs:** Boost accountability and innovation
- **Inter-Agency Training:** Form formal collaboration agreements
- **Staffing Model Optimization:** Streamline workloads through enabling processes, authority levels, and technology

Theme #3

Workforce Management

- **Workforce Funding:** Seek formula-based DOL/WIOA grants
- **HR Dashboard Expansion:** Expand HR's analytics capabilities, including expansion of the HR dashboard
- **SuccessFactors Implementation:** Align system with IDOT needs

Additional Areas to Explore

- *Labor market gaps and partnerships with industry*
- *Knowledge management*

NEXT STEPS

NEXT STEPS

Ongoing Analysis

Continue assessing challenges and opportunities to identify potential recommendations

BRCA Working Groups

Continue meeting with Working Groups to refine proposed list of draft recommendations for August BRC meeting

Full BRC Meeting (August 12)

Discuss recommendations from each working group

NEW BUSINESS

PUBLIC COMMENT

NEXT MEETING: TUESDAY, AUGUST 12TH

ADJOURN

APPENDIX

WORKING GROUP MEMBERS

| | Governance | Labor/Workforce | Project Delivery | Funding | Equity | Sustainability |
|-----------------------------------|------------|-----------------|------------------|---------|--------|----------------|
| Commissioner Brown | | | | ● | ● | |
| Commissioner Calderon | ● | | | | | ● |
| Commissioner Chin | | | ● | | ● | |
| Representative Davidsmeyer | | | ● | | | |
| Senator DeWitte | ● | | | | | |
| Representative Evans | | | | ● | | |
| Senator Fowler | | ● | | | | |
| Commissioner Grimshaw | | | | | ● | ● |
| Representative Kelly | | ● | | | | |
| Commissioner Kotarac | ● | | | ● | | |
| Commissioner Love | | ● | | | | ● |
| Senator Murphy | | ● | | | | ● |
| Commissioner Poulos | | ● | ● | | | |
| Representative Spain | | | | ● | | |
| Senator Villivalam | ● | | | | | |